

Introduction to Georgia's Community Development Block Grant (CDBG) Program

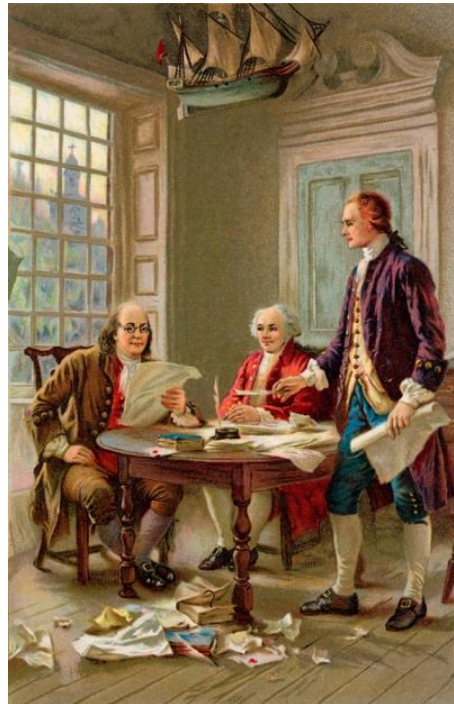


December 11, 2018

Kimberly Carter

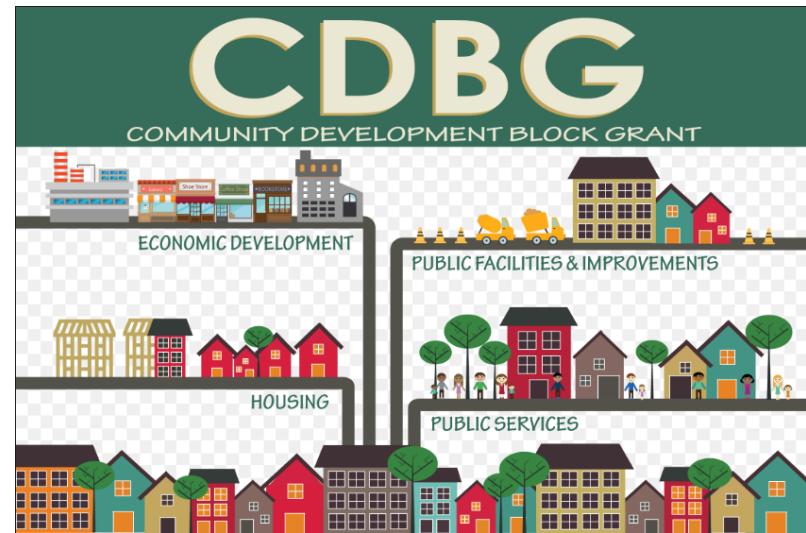
Introduction to CDBG

Title 1 of the Housing and Community Development Act (HCDA) of 1974, as amended, created the CDBG program



Introduction to CDBG

- The primary objective of the HCDA is
 - development of viable communities by the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate- income.



Eligible Applicants

- ❑ Non-entitlement General Purpose Local Governments
- ❑ Generally
 - ❑ Cities < 50,000
 - ❑ Counties < 200,000
 - ❑ There are exceptions!

Introduction to CDBG



For any activity(ies) carried out by a grantee to be considered eligible, two conditions must be met:

1. The activity(ies) must meet a National Objective

AND

2. The activity(ies) must be listed in law as eligible

Introduction to CDBG



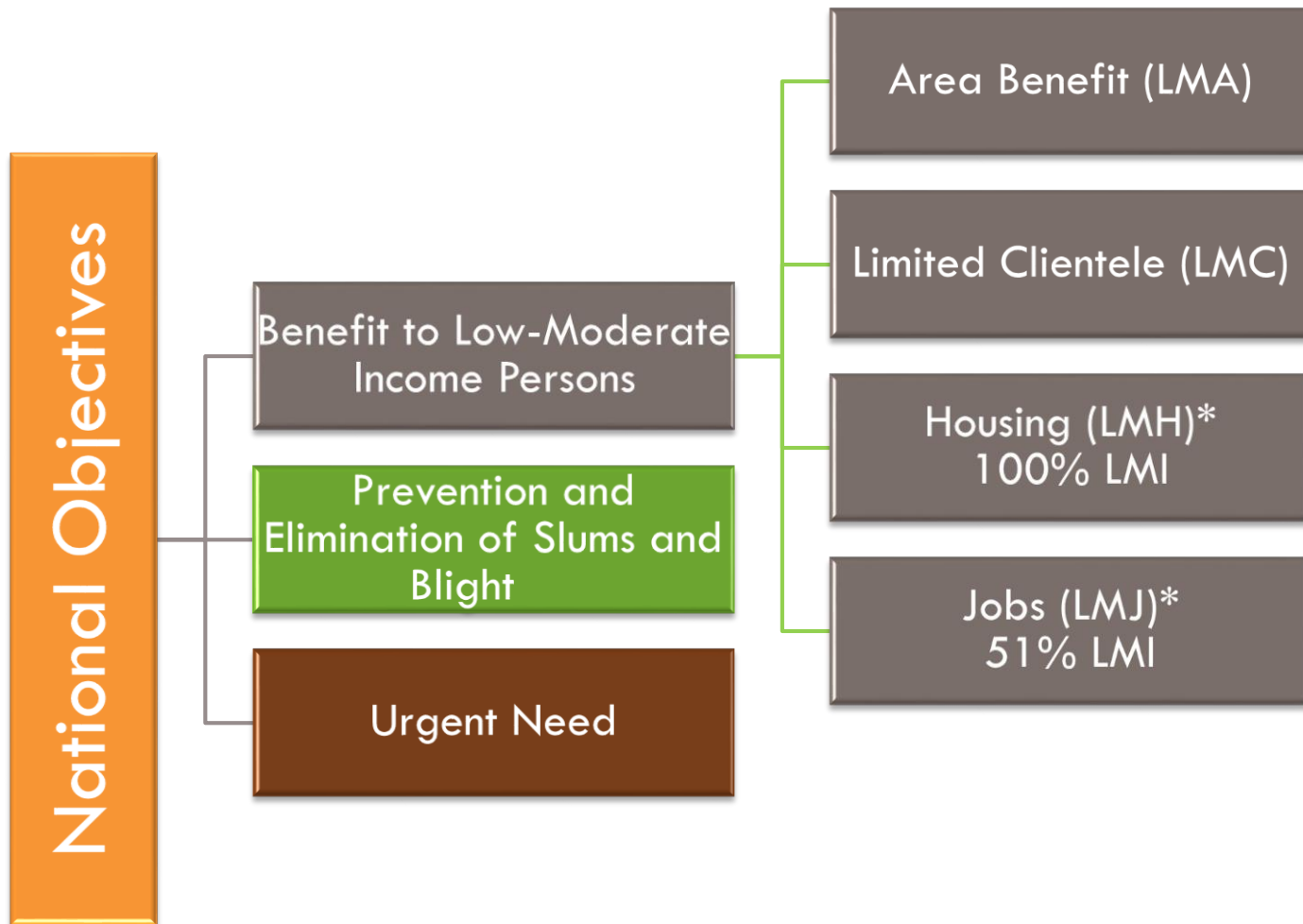
National Objectives

Benefit to Low-
Moderate
Income Persons

Prevention and
Elimination of
Slums and Blight

Urgent Need

LMI National Objective



CDBG LMI Area Benefit (LMA)



- ❑ For projects that will benefit a **geographic area**—
target area or city-wide area—
 - ❑ **each activity** (e.g., water improvements) must benefit at least 70% LMI persons
 - ❑ and each geographic area chosen must **contain a population** of at least 70% LMI persons.

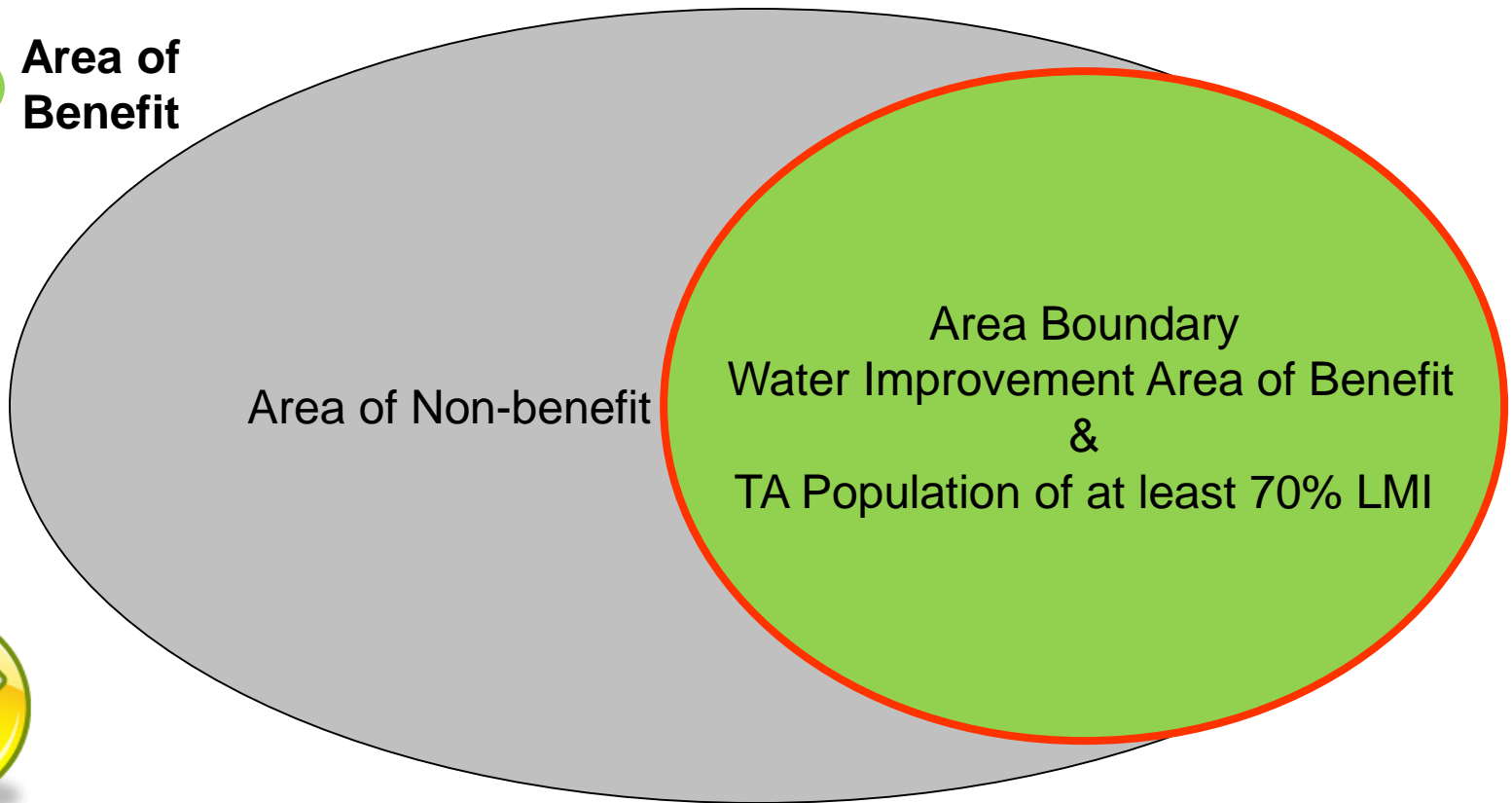
LMA (cont.)



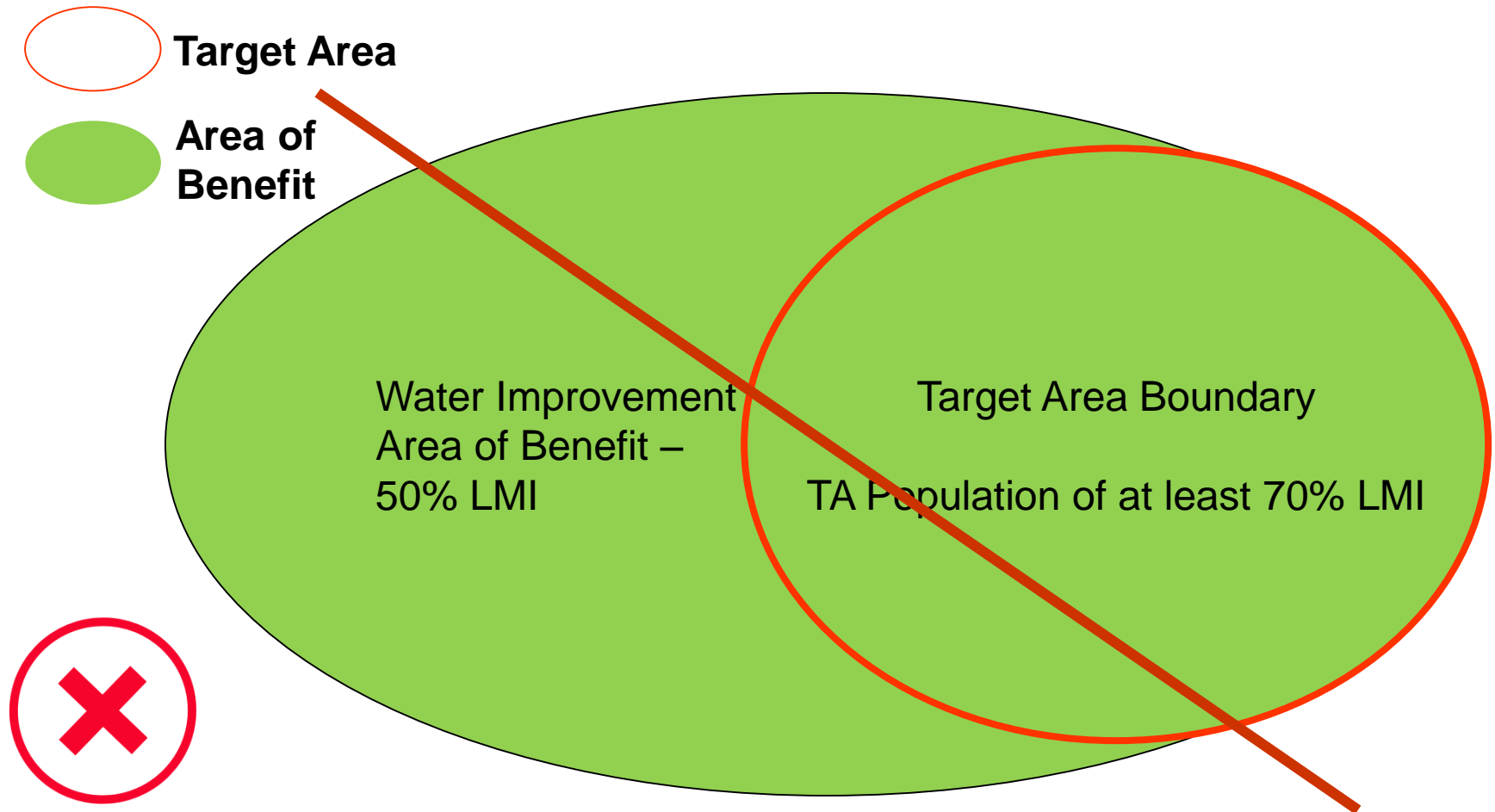
Target Area



**Area of
Benefit**



LMA (cont.)



CDBG LMI Clientele Benefit (LMC)

- CDBG provides a “place” for LMI persons to receive a benefit
 - e.g., health center, senior center, etc.
- Those who use the building are beneficiaries
- 70% of recipients of benefit must be LMI income persons; or

CDBG LMI Clientele Benefit (LMC)

- HUD presumes 100% of the recipients of the service are LMI persons
 - abused children
 - battered spouses
 - elderly persons
 - severely disabled
 - homeless
 - illiterate adults

CDBG LMI Housing Benefit (LMH)

- ▣ 100% Benefit to LMI Households
 - ▣ These are direct beneficiaries
 - ▣ Work is done on private property



Before Rehabilitation



After Rehabilitation

CDBG LMI Jobs Benefit

- For Economic Development Projects
 - 51% of jobs must be held or made available to LMI persons



Other National Objectives



- Removal of Slum and Blight
 - DCA's Redevelopment Fund Program generally addresses this National Objective

- Urgent Need
 - DCA's Immediate Threat & Danger Program generally addresses this National Objective

Typical CDBG Activities

- ❑ Public Facilities and Improvement
 - ❑ Water lines, sewer lines, lift stations, wells, pumps, drainage pipe, drainage structures, road paving, drainage inlets, elevated water storage tanks
- ❑ Housing
 - ❑ Homeowner and homebuyer activities, clearance and demolition
- ❑ Public Services
 - ❑ Domestic Violence Shelters, Health Centers, Senior Centers
- ❑ Economic Development
 - ❑ Loans to businesses for fixed assets, etc.
- ❑ Also see FY2019 Applicants' Manual

Basic Limitations



- ❑ Local governments are applicants
- ❑ Activities must be eligible as specified by law and regulation
- ❑ Activities/Projects must primarily benefit low- and moderate-income persons or meet another National Objective.

CDBG Ineligible Activities

- ❑ Acquisition of furnishings
- ❑ Acquisition of movable equipment, machinery
- ❑ Land write-downs
- ❑ Operating and maintenance expenses
- ❑ Buildings for the conduct of general local government
- ❑ Direct grant assistance to a for-profit business
- ❑ Cost of personal property
- ❑ Generally, construction of new housing



Resources

- ❑ *CDBG 2019 Applicants' Manual*
- ❑ www.hud.gov
- ❑ 24 CFR 570.480 (State CDBG Regulations) at <http://www.ecfr.gov/cgi-bin/ECFR?page=browse>
- ❑ [HUD Exchange - https://www.hudexchange.info/](https://www.hudexchange.info/)
- ❑ *Guide to National Objectives and Eligible Activities for State CDBG Programs*
<https://www.hudexchange.info/resource/2179/guide-national-objectives-eligible-activities-state-cdbg-programs/>